

# Hexatronic

Sector: Capital Goods

## Expanding in the US

Redeye raises its Base and Bull Cases and its forecasts, following a Q3 report beating our estimates. While we expect operational momentum to continue, our Base Case remains below the current share price due to our conservative take on 2030 and onwards. However, assuming a stable development post-2030, our Bull Case takes a more optimistic approach.

### Solid Q3 and Outlook

Sales and adjusted EBITA beat our forecast, following stronger than expected growth in Rest of Europe and North America. While Hexatronic experienced a negative impact from increasing freight and material costs, high utilization rates in most factories offset the adverse effect.

### Building a Duct Plant in Southeast USA

As utilization rates are high in most factories and as management expects increasing demand, Hexatronic will expand its capacity in several factories in various regions. While the investments will hurt free cash flow short-term, it highlights management's confidence in increasing demand going forward. Also, Hexatronic will establish a new duct factory in the southeast USA. There are no such factories for sales, and as ducts are expensive to ship, local production is crucial.

### New Base Case SEK 290 (240), New Bull Case SEK 500 (345)

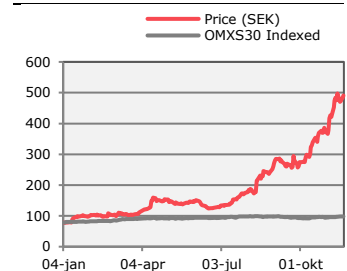
We raise our Base Case to SEK 290 (240) following somewhat raised margin and sales forecasts for the 2022-2030 period. We increase our Bull Case significantly to SEK 500 (345), as our Bull Case now has a more positive view of the 2030-terminal period. We assume Hexatronic will offset the expected decline in FTTH in the strategic growth markets beyond 2030 by broadening its revenue base, partly by M&A (DCS is an excellent recent example). However, we believe the market has revalued Hexatronic as it expects strong sales and earnings growth in the coming years rather than its assumptions for 2030 and beyond.

Key Financials (SEKm)	2019	2020	2021E	2022E	2023E
Sales	1842	2081	3334	4626	5644
Sales Growth	15%	13%	60%	39%	22%
EBITA	136	205	388	564	699
EBITA margin	7%	10%	12%	12%	12%
EPS	1.8	3.3	6.3	9.5	12.3
EV/Sales			5.8	4.2	3.4
EV/EBITA			49.6	34.2	27.6

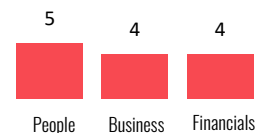
### FAIR VALUE RANGE

BEAR	BASE	BULL
190	290	500

### HTRO VERSUS OMXS30



### REDEYE RATING



### KEY STATS

Ticker	HTRO
Market	Mid Cap
Share Price (SEK)	491
Market Cap (SEKm)	19 813
Net Debt (SEKm)	543
Free Float (%)	83
Avg. daily volume ('000)	93 470

### ANALYSTS

Fredrik Nilsson
fredrik.nilsson@redeye.se
Jacob Svensson
jacob.svensson@redeye.se

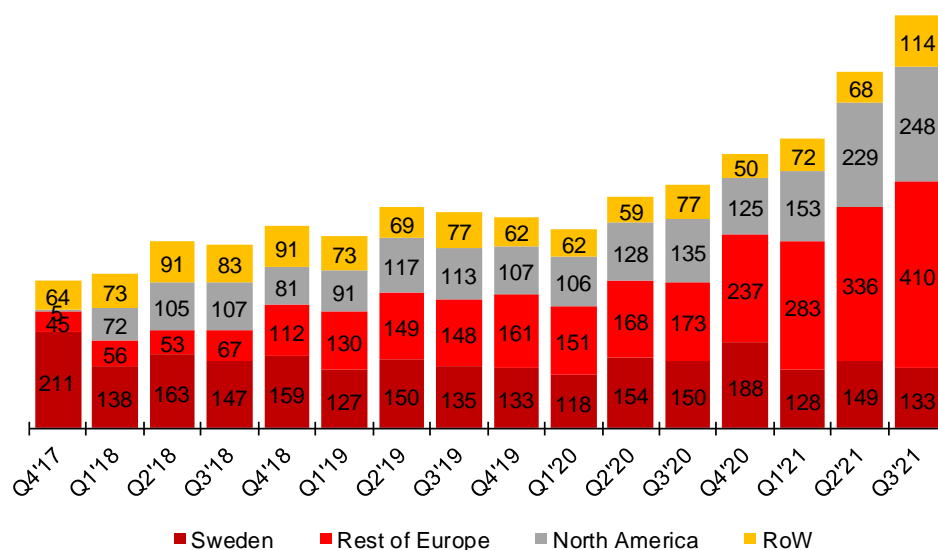
## Operational Momentum Continues

Hexatronic: Q3'21 y/y					
SEKm	Q3'21		Deviation		Q3'20
	Actual	Redeye	%	Abs.	Actual
<b>Net sales</b>	<b>905</b>	<b>867</b>	<b>4%</b>	<b>38</b>	<b>534</b>
Sweden	133	150	-11%	-17	150
Rest of Europe	410	365	12%	45	173
North America	248	230	8%	18	135
RoW	114	122	-6%	-8	77
Other income	4	4	n.a	0	4
COGS	-512	-473			-296
Gross profit	393	394	0%	-1	238
SG&A	-267	-260			-161
<b>Adj. EBITA</b>	<b>117</b>	<b>110</b>	<b>6%</b>	<b>7</b>	<b>63</b>
<b>Net sales growth, y/y</b>	<b>69.4%</b>	<b>62.2%</b>			<b>13.0%</b>
Gross profit margin	43.4%	45.4%			44.5%
<b>Adj. EBITA margin</b>	<b>12.9%</b>	<b>12.7%</b>			<b>11.8%</b>

Source: Redeye Research

Sales and adjusted EBITA beat our forecasts by 4% and 6%. Sales grew by 69% y/y, and organic growth was 35%. EBITA, adjusted for revaluation of share-based incentive programs of SEK 11m, increased by 84% y/y. Thus, although acquisitions helped, Hexatronic's operational momentum continues. As expected, North American and the Rest of Europe were driving the sales growth y/y, both organically and through acquisitions (Europe only).

## Hexatronic: Net sales development per region, (SEKm)



Source: Redeye Research

Hexatronic managed to offset rising transport and raw material costs thanks to a high utilization in most factories. However, the utilization rate is near maximum at many facilities, and the company will increase its investment to meet the increasing demand. We previously expected the limited capacity to impact margins in 2022 negatively, as Hexatronic would have to increase its purchases of third-party components. However, following the Q3 report, management seems more confident it can handle the situation without significantly impacting margins.

Management's outlook is positive, supported by the several major orders Hexatronic has recently received in the US and Germany. The company's system offering in the US is accelerating, and the focus on small- and mid-sized players is paying off. The USD 50m order to Ting is the best example. Our impression is that all three strategic growth markets, the UK, the US, and Germany, are or will soon be in an inflection point, where the FTTH rollouts take off substantially.

While we do not expect Hexatronic to reach such a high market share in those markets as it had in Sweden, those markets have, in total, 42 times the number of households compared to Sweden. Thus, over the next ~ ten years, the potential is significant, and we believe Hexatronic can sustain double-digit sales growth for years. We forecast an impressive sales CAGR of 16% from 2022-2030. However, one day, the FTTH booms in these markets will most likely face the same destiny as the Swedish has. Since the peak in 2017, Hexatronic has lost ~30% of its sales in Sweden, and the margin has likely declined. However, FTTH is still a substantial part (50-60%) of the revenues generated in Sweden.

## Successful Direct Share Issue at Minimal Discount

Following the Q3 report, Hexatronic carried out a direct share issue of SEK 550m, at SEK 440 per share – equal to a discount of ~3%. We are positive to the direct share issue for several reasons. First, to handle the expected increase in demand for Hexatronic's offering, investments in additional production capacity are necessary. Following the share issue, Hexatronic has more than enough for its announced investment. Second, Hexatronic has a strong M&A track record, and while 2021 has been an intensive year in terms of M&A, we believe the company is looking for more. Third, following Hexatronic's excellent operational performance, investors have revalued the share, resulting in the company gaining significant funds for only a minor dilution.

## The Strategic Growth Markets in Brief

### USA

Hexatronic has three types of operations in the US, Blue Diamond (duct), its system offering, and the recently acquired DCS – which we commented on [here](#). According to management, Blue Diamond has been one of Hexatronic's best acquisitions so far, and its organic growth has exceeded the expected 5-6%. From now on, management expects Biden's infrastructure deal to have a positive impact on the subsidiary. In addition to FTTH investments, when roads are built, a duct is laid beside the road. Interestingly, there are no duct factories up for sale, and thus, that is why Hexatronic decided to invest USD 18m in a new production facility in the southeast USA.

While Blue Diamond has been the growth driver in the USA historically, Hexatronic's system offering (complete FTTH) has gained traction recently, and the USD 50m deal to Ting is, as mentioned, an example. Although Hexatronic's market share is low in the US market, the lack of Chinese imports and competitors mimicking Hexatronic's system offering makes it extra interesting. According to management, these factors, among others, make the US most

profitable market. Thus, continued strong growth in this market will likely result in higher margins. Also, while Hexatronic's market share in the US, as mentioned, is low, it is the company's biggest market. With 27x the households of Sweden and likely higher revenue per household, the potential is vast.

## UK

The UK has about 6x the households of Sweden. Still, as the UK is building a somewhat less robust fiber network, the revenue per household and margins is likely lower than the group average. Nevertheless, the market is still significant, and City Fibre, a major customer, has so far connected about 700k out of its target of 8m connections. While this market is smaller than the US, Hexatronic's market share is higher in the UK.

The UK government has a target that 85% should have access to gigabit connection in 2025. Considering that only 4% had access to fiber in September 2020, that is an ambitious target. According to management, it will likely take at least ten years before reaching the 2025 target. We believe management's view is reasonable for several reasons. First, it has a deep understanding of the market and highlights the shortage of technicians. Second, despite large investments, Sweden missed its 2020 target with quite a substantial margin.

## Germany

The German market is still not as active as the UK, but it is starting to take off. For example, Hexatronic recently announced two large orders in the region of a total value of EUR 21m. The market has about 9x the households of Sweden, and the revenue per household is roughly equal to Sweden. The German market has a high share of small- and mid-sized players, including many city networks. This fits Hexatronic well as its system offering suits smaller players, often lacking in-house fiber expertise.

## A Visit at the Hudiksvall Factory

Last week, we visited Hexatronic Cables & Interconnect Systems' fiber optic cables and duct factory in Hudiksvall. The factory produces fiber optic cables for all markets and ducts for nearby markets. Fiber optic cables are relatively cheap to ship while duct is not, therefore the difference. Considering the recent acquisitions of duct manufacturers Rehau, Werterings and the announced investments in current factories and an additional duct factory in the USA, combined with the fiber optic cable production in Hudiksvall, we believe Hexatronic can capture the emerging FTTH-boom in the strategic growth markets. However, Hexatronic lacks some desired production capacity, such as ducts in western North America.

The factory is running at a high utilization rate and is currently adding additional capacity. According to management, the facility has room for even more production capacity, indicating that Hexatronic can expand its fiber optic cables production in an efficient way going forward as well.

## Financial Forecasts

We leave our forecast for 2022E largely unchanged, although we raise our margin assumptions slightly. We get the impression that management seems slightly more confident it can handle the raised demand without increasing the share of third-party components.

Hexatronic: estimate changes, '21E-'22E						
(SEKm, except per share data)	Old		New		Change	
	2021E	2022E	2021E	2022E	2021E	2022E
<b>Net sales</b>	<b>3256</b>	<b>4631</b>	<b>3334</b>	<b>4626</b>	<b>2%</b>	<b>0%</b>
<i>growth</i>	56%	42%	60%	39%		
<b>EBITA</b>	<b>392</b>	<b>554</b>	<b>388</b>	<b>564</b>	<b>-1%</b>	<b>2%</b>
<i>margin</i>	12.0%	12.0%	11.6%	12.2%		
<b>EBIT</b>	<b>352</b>	<b>505</b>	<b>349</b>	<b>515</b>	<b>-1%</b>	<b>2%</b>
<i>margin</i>	10.8%	10.9%	10.5%	11.1%		
<b>EPS (SEK)</b>	<b>6.51</b>	<b>9.66</b>	<b>6.53</b>	<b>9.84</b>	<b>0%</b>	<b>2%</b>

Source: Redeye Research

As mentioned, we expect operational momentum to continue over the next years. For 2022 and 2023, we estimate organic growth rates of about 20%, where 2022 also gets a substantial boost from acquisitions made so far during 2021.

We believe margins will continue to improve over the next years. While the utilization rates are high in many factories, we believe Hexatronic can obtain some scale advantages when expanding its current production facilities. Also, an increasing share of revenues from the USA should support margins going forward.

Hexatronic: P&L '19-'23E									
(SEKm)	2019	2020	Q1'21	Q2'21	Q3'21E	Q4'21E	2021E	2022E	2023E
<b>Net sales</b>	<b>1842</b>	<b>2081</b>	<b>635</b>	<b>782</b>	<b>905</b>	<b>1012</b>	<b>3334</b>	<b>4626</b>	<b>5644</b>
<i>growth y/y</i>	15%	13%	45%	54%	69%	69%	60%	39%	22%
Other income	14	14	4	15	4	4	28	28	28
COGS	-1023	-1143	-343	-425	-512	-563	-1842	-2554	-3116
OPEX (excl. COGS)	-637	-679	-213	-250	-267	-304	-1034	-1425	-1727
Depreciation	-61	-69	-20	-20	-25	-32	-97	-111	-130
<b>EBITA</b>	<b>136</b>	<b>205</b>	<b>64</b>	<b>102</b>	<b>106</b>	<b>117</b>	<b>388</b>	<b>564</b>	<b>699</b>
<i>margin</i>	7.4%	9.8%	10.0%	13.0%	11.7%	11.6%	11.6%	12.2%	12.4%
Amortization	-30	-27	-7	-8	-10	-14	-39	-49	-41
<b>EBIT</b>	<b>106</b>	<b>177</b>	<b>57</b>	<b>94</b>	<b>95</b>	<b>103</b>	<b>349</b>	<b>515</b>	<b>658</b>
<i>margin</i>	5.8%	8.5%	8.9%	12.0%	10.5%	10.2%	10.5%	11.1%	11.7%
<b>EPS (SEK)</b>	<b>1.8</b>	<b>3.3</b>	<b>1.0</b>	<b>1.8</b>	<b>1.9</b>	<b>1.9</b>	<b>6.5</b>	<b>9.8</b>	<b>12.7</b>

Source: Redeye Research

## Investment Case

### Excellent position in exciting segment

Hexatronic has a strong and complete product offering in the attractive FTTH segment, with an excellent geographic market mix. High quality, unique yet cost-efficient solutions and a focus on systems sales, distinguish the company. It has managed to build a strong platform in its chosen growth markets, the US, UK, and Germany, through a series of successful acquisitions, and appears very well positioned to capitalise on the expected acceleration of growth.

### A real quality name in Redeye's universe

Applying Redeye's company rating model, we rate Hexatronic as a true quality name. It scores very well in all key areas, such as business fundamentals, financials, and people. It has a strong position and brand in the market, it is profitable and cash generative with a strong outlook and is also backed by a strong balance sheet. We feel the company is very well run, mixing favourable organic growth prospects with acquired growth for promising compounding effects. In addition, its ESG credentials are outstanding, in our view

### Core markets poised for structural growth

We believe the key, large, international markets, the US, UK, and Germany, are in an early stage of a prolonged and strong growth period. Activity levels are currently high and increasing, and we expect demand to continue to strengthen going forward.

### Strong momentum likely to further accelerate

Hexatronic enjoyed growing momentum in 2020, topped by a very strong final quarter – the order backlog is now extremely strong. We believe these trends have continued into the early part of 2021 and predict a strong demand environment for multiple years. Indeed, we may be observing an inflection point – should the corona crisis begin to fade, a further boost is, in fact, likely as Hexatronic has faced significant challenges due to the imposed restrictions.

## Counter Thesis

### Possible price pressure

Hexatronic operates in fiercely competitive markets, and some of its customers are large players. Cost and price are always a delicate dimension, and there is always the risk that some of the margin improvements the company achieves simply will filter through to its customers.

### Chinese imports

There is also the risk of ultra-cheap imports from China disturbing the European market especially. There is, however, a pending anti-dumping case which may lead to tariffs being implemented, lending protection.

### What about the very long term?

Hexatronic finds itself in the interesting situation of looking at a huge wave of demand approaching, but also not knowing what may come afterwards. When FTTH is fully deployed, there will not be much business left in that field. Management is fully aware of this, and efforts are being made to start exploring natural prospects that could be added to the concern in the very long term. *What does Hexatronic do in 2035?*

## Valuation

### Bear Case 190 SEK

- Average sales growth of ~11% 2023-2030
- Average EBITA margin of ~12% 2023-2030
- Average sales growth of ~-11% 2031-2034
- Terminal growth rate of 2%
- Terminal EBITA margin of 4%

### Base Case 290 SEK

- Average sales growth of ~17% 2023-2030
- Average EBITA margin of ~13% 2023-2030
- Average sales growth of ~-7% 2031-2034
- Terminal growth rate of 2%
- Terminal EBITA margin of 7%

### Bull Case 500 SEK

- Average sales growth of ~20% 2023-2030
- Average EBITA margin of ~15% 2023-2030
- Average sales growth of ~-2% 2031-2034
- Terminal growth rate of 2%
- Terminal EBITA margin of 11%

We raise our Base Case to SEK 290 (240), slightly above the SEK ~275 we indicated at our preliminary estimate revisions. Although our 2022E forecasts remain unchanged relative to the preliminary revisions, we slightly raise our assumptions, especially for margins, for the 2023-2030 period.

We make a more significant increase to our Bull Case, which is raised to SEK 500 (345). While the Bull Case assumes slightly higher growth and margins 2023-2030, the main difference is in the 2030-terminal period. Unlike our Base Case, where we expect the strategic growth markets to have negative sales growth from 2030 and onwards (like in Sweden post-2017), our Bull Case assumes flat sales and minor margin declines.

In our Bull Case, we expect Hexatronic to increase its sales from non-FTTH sources until 2030 fast enough to limit the expected downturn in FTTH. While Hexatronic has exposure to harsh environment, core networks, 5G, farming, and data centers, the bulk of revenues are generated from FTTH. However, Hexatronic has a solid M&A track record, and several recent acquisitions, such as DCS and Weterings have added exposure to non-FTTH segments. Also, there are likely at least ten years left until the FTTH-boom is over in the strategic growth markets. Thus, Hexatronic has plenty of time to add additional sources of revenue until then, and M&A will likely play a major role.

## Summary Redeye Rating

The rating consists of three valuation keys, each constituting an overall assessment of several factors that are rated on a scale of 0 to 1 points. The maximum score for a valuation key is 5 points.

### Rating changes in the report: None

#### **People: 5**

Hexatronic has a strong management team of entrepreneurial people with plenty of skin in the game. CEO has significant experience from the telecom industry. Staff at other key positions, that joined the group through last year's acquisitions, are also intact. The company has delivered so far on their financial goals.

#### **Business: 4**

Due to the competitive situation, product differentiation appears to be difficult, thus the price will always be an issue. Hexatronic is a small player compared to some of the dominant multinational companies. Surely that means growth opportunities but also challenges.

#### **Financials: 4**

In our view, Hexatronic is very financially stable and receives a good score in most subcategories. Overall we view Hexatronic's profitability levels as compelling and improving. We see some risks for new rights issues given the strong focus on acquisitions, still if the acquisition is done at good prices and creates value this will not be an issue.



## Redeye Rating and Background Definitions

### Company Quality

Company Quality is based on a set of quality checks across three categories; PEOPLE, BUSINESS, FINANCE. These are the building blocks that enable a company to deliver sustained operational outperformance and attractive long-term earnings growth.

Each category is grouped into multiple sub-categories assessed by five checks. These are based on widely accepted and tested investment criteria and used by demonstrably successful investors and investment firms. Each sub-category may also include a complementary check that provides additional information to assist with investment decision-making.

If a check is successful, it is assigned a score of one point; the total successful checks are added to give a score for each sub-category. The overall score for a category is the average of all sub-category scores, based on a scale that ranges from 0 to 5 rounded up to the nearest whole number. The overall score for each category is then used to generate the size of the bar in the Company Quality graphic.

### People

At the end of the day, people drive profits. Not numbers. Understanding the motivations of people behind a business is a significant part of understanding the long-term drive of the company. It all comes down to doing business with people you trust, or at least avoiding dealing with people of questionable character.

The People rating is based on quantitative scores in seven categories:

- Passion, Execution, Capital Allocation, Communication, Compensation, Ownership, and Board.

### Business

If you don't understand the competitive environment and don't have a clear sense of how the business will engage customers, create value and consistently deliver that value at a profit, you won't succeed as an investor. Knowing the business model inside out will provide you some level of certainty and reduce the risk when you buy a stock.

The Business rating is based on quantitative scores grouped into five sub-categories:

- Business Scalability, Market Structure, Value Proposition, Economic Moat, and Operational Risks.

### Financials

Investing is part art, part science. Financial ratios make up most of the science. Ratios are used to evaluate the financial soundness of a business. Also, these ratios are key factors that will impact a company's financial performance and valuation. However, you only need a few to determine whether a company is financially strong or weak.

The Financial rating is based on quantitative scores that are grouped into five separate categories:

- Earnings Power, Profit Margin, Growth Rate, Financial Health, and Earnings Quality.

## Redeye Equity Research team

### Management

**Björn Fahlén**

bjorn.fahlen@redeye.se

**Tomas Otterbeck**

tomas.otterbeck@redeye.se

### Technology Team

**Hjalmar Ahlberg**

hjalmar.ahlberg@redeye.se

**Henrik Alveskog**

henrik.alveskog@redeye.se

**Mattias Ehrenborg**

mattias.ehrenborg@redeye.se

**Douglas Forsling**

douglas.forsling@redeye.se

**Forbes Goldman**

forbes.goldman@redeye.se

**Jesper Henriksson**

jesper.henriksson@redeye.se

**Viktor Lindström**

viktor.lindstrom@redeye.se

**Fredrik Nilsson**

fredrik.nilsson@redeye.se

**Mark Siöstedt**

mark.siostedt@redeye.se

**Jacob Svensson**

jacob.svensson@redeye.se

**Niklas Sävås**

niklas.savas@redeye.se

**Danesh Zare**

danesh.zare@redeye.se

### Editorial

**Joel Karlsson**

joel.karlsson@redeye.se

**Mark Siöstedt**

mark.siostedt@redeye.se

### Life Science Team

**Gergana Almquist**

gergana.almquist@redeye.se

**Oscar Bergman**

oscar.bergman@redeye.se

**Christian Binder**

christian.binder@redeye.se

**Filip Einarsson**

filip.einarsson@redeye.se

**Mats Hyttinge**

mats.hyttinge@redeye.se

**Erik Nordström**

erik.nordstrom@redeye.se

**Richard Ramanius**

richard.ramanius@redeye.se

**Kevin Sule**

kevin.sule@redeye.se

**Fredrik Thor**

fredrik.thor@redeye.se

**Johan Unnerus**

johan.unnerus@redeye.se

## Disclaimer

### Important information

Redeye AB ("Redeye" or "the Company") is a specialist financial advisory boutique that focuses on small and mid-cap growth companies in the Nordic region. We focus on the technology and life science sectors. We provide services within Corporate Broking, Corporate Finance, equity research and investor relations. Our strengths are our award-winning research department, experienced advisers, a unique investor network, and the powerful distribution channel redeye.se. Redeye was founded in 1999 and since 2007 has been subject to the supervision of the Swedish Financial Supervisory Authority.

Redeye is licensed to; receive and transmit orders in financial instruments, provide investment advice to clients regarding financial instruments, prepare and disseminate financial analyses/recommendations for trading in financial instruments, execute orders in financial instruments on behalf of clients, place financial instruments without position taking, provide corporate advice and services within mergers and acquisition, provide services in conjunction with the provision of guarantees regarding financial instruments and to operate as a Certified Advisory business (ancillary authorization).

### Limitation of liability

This document was prepared for information purposes for general distribution and is not intended to be advisory. The information contained in this analysis is based on sources deemed reliable by Redeye. However, Redeye cannot guarantee the accuracy of the information. The forward-looking information in the analysis is based on subjective assessments about the future, which constitutes a factor of uncertainty. Redeye cannot guarantee that forecasts and forward-looking statements will materialize. Investors shall conduct all investment decisions independently. This analysis is intended to be one of a number of tools that can be used in making an investment decision. All investors are therefore encouraged to supplement this information with additional relevant data and to consult a financial advisor prior to an investment decision. Accordingly, Redeye accepts no liability for any loss or damage resulting from the use of this analysis.

### Potential conflict of interest

Redeye's research department is regulated by operational and administrative rules established to avoid conflicts of interest and to ensure the objectivity and independence of its analysts. The following applies:

- For companies that are the subject of Redeye's research analysis, the applicable rules include those established by the Swedish Financial Supervisory Authority pertaining to investment recommendations and the handling of conflicts of interest. Furthermore, Redeye employees are not allowed to trade in financial instruments of the company in question, from the date Redeye publishes its analysis plus one trading day after this date.
- An analyst may not engage in corporate finance transactions without the express approval of management and may not receive any remuneration directly linked to such transactions.
- Redeye may carry out an analysis upon commission or in exchange for payment from the company that is the subject of the analysis, or from an underwriting institution in conjunction with a merger and acquisition (M&A) deal, new share issue or a public listing. Readers of these reports should assume that Redeye may have received or will receive remuneration from the company/companies cited in the report for the performance of financial advisory services. Such remuneration is of a predetermined amount and is not dependent on the content of the analysis.

### Redeye's research coverage

Redeye's research analyses consist of case-based analyses, which imply that the frequency of the analytical reports may vary over time. Unless otherwise expressly stated in the report, the analysis is updated when considered necessary by the research department, for example in the event of significant changes in market conditions or events related to the issuer/the financial instrument.

### Recommendation structure

Redeye does not issue any investment recommendations for fundamental analysis. However, Redeye has developed a proprietary analysis and rating model, Redeye Rating, in which each company is analyzed and evaluated. This analysis aims to provide an independent assessment of the company in question, its opportunities, risks, etc. The purpose is to provide an objective and professional set of data for owners and investors to use in their decision-making.

### Redeye Rating (2021-11-22)

Rating	People	Business	Financials
5	32	15	4
3-4	140	125	43
0-2	5	37	130
<b>total</b>	<b>177</b>	<b>177</b>	<b>177</b>

### Duplication and distribution

This document may not be duplicated, reproduced or copied for purposes other than personal use. The document may not be distributed to physical or legal entities that are citizens of or domiciled in any country in which such distribution is prohibited according to applicable laws or other regulations.

Copyright Redeye AB.

---

### CONFLICT OF INTERESTS

Fredrik Nilsson owns shares in the company : No

Jacob Svensson owns shares in the company : No

Redeye performs/have performed services for the Company and receives/have received compensation from the Company in connection with this.